GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:186
ANSWERED ON:27.02.2008
POLICY FOR LIGNITE /COAL BLOCK
Baxla Shri Joachim

Will the Minister of COAL be pleased to state:

(a) Whether Government proposes to change the present policy for leasing of Lignite/Coal Blocks;

(b) if so, the details thereof;

(c) whether Government proposes to deprive the State Government the rights contained in Mines and Minerals (Development and Regulation) Act,1957 to utilize their mineral resources as per their priorities;

(d) if so, the details thereof;

(e) whether Government would agree to give seventy five percent Production Linked Payment(PLP) to State Government if bidding process is introduced; and

(f) if so, the details in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF COAL(DR.DASARI NARAYANA RAO)

(a)&(b): Yes, Sir. In order to make the policy for leasing of lignite and coal blocks more transparent and objective in the context of increasing number of applications and declining number of coal and lignite blocks, Government is contemplating to introduce a system of auctioning through competitive bidding for allocation of such blocks by making amendment in the Mines and Minerals (Development & Regulation) Act, 1957.

(c)&(d): No, Sir. Under the existing provisions of the Mines and Minerals(Development & Regulation) Act, 1957, prior approval of the Central Government is necessary before the State Government can grant mining lease in respect of coal, lignite and other minerals included in the First Schedule of the said Act.

(e)&(f): It is proposed to transfer the entire resources raised through competitive bidding to the concerned State Government where the coal block is located.